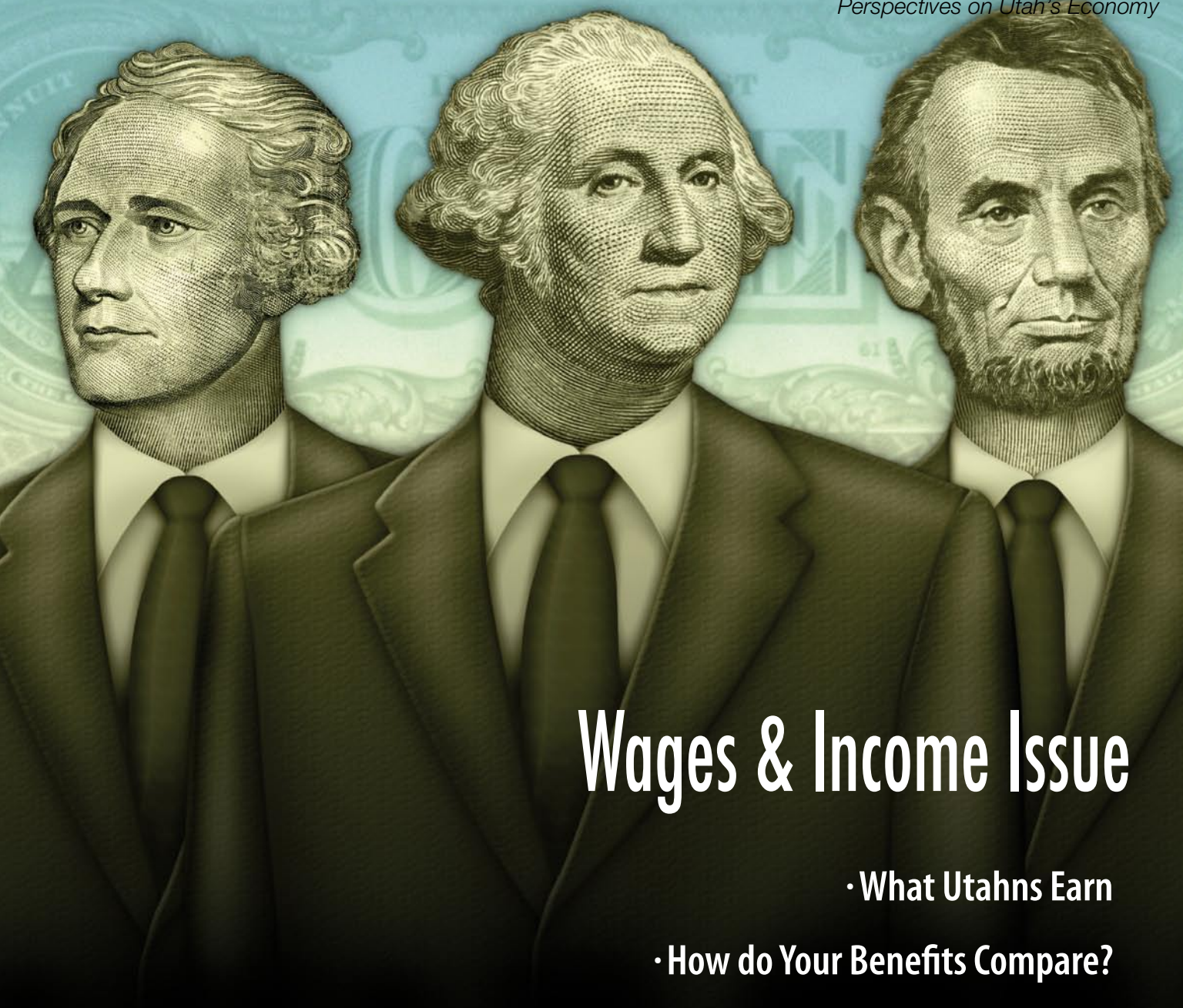
Trendlines

September/October 2007

Perspectives on Utah's Economy



Wages & Income Issue

- What Utahns Earn
- How do Your Benefits Compare?
- The Wage Pyramid:
  State Job Wages May Surprise You

Five-Star Occupations

Heavy Metal: Machinists and Welders

Department of Workforce Services

Trendlines

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The Workforce Development and Information Division generates accurate, timely, and understandable data and analyses to provide knowledge of ever-changing workforce environments that support sound planning and decision-making.

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Trendlines

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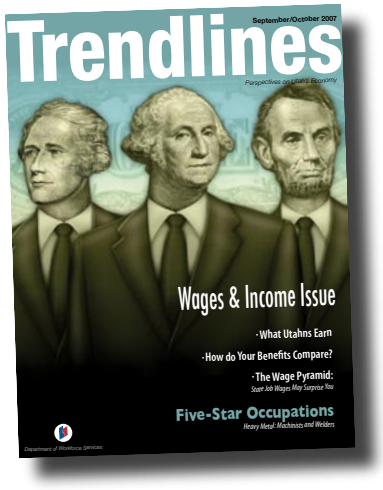
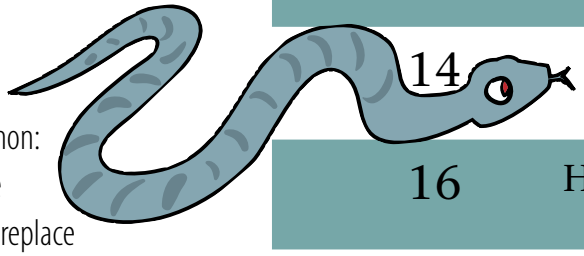


Wages and Income Issue



Pig in the Python: Where are the employees to replace working baby boomers?

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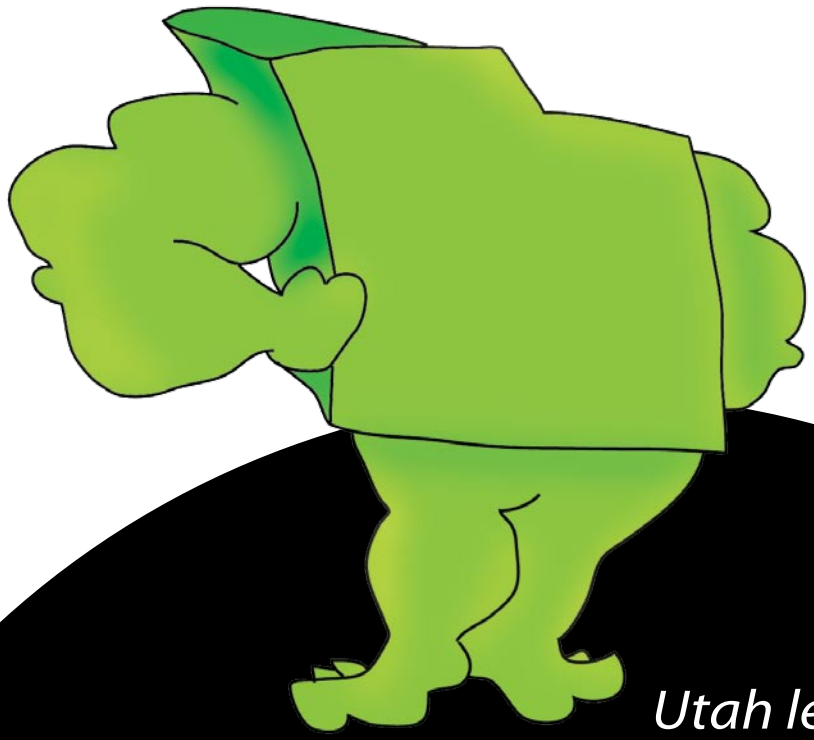
Utah Stands Alone



Utah leads the nation in employment growth

economic facts...

- Utah's job picture continues to outshine that of any other state in the nation. http://deseretnews.com/dn/view/0,1249,695192815,00.html
- It remains nearly impossible for business operators these days to find any sizable amount of top-of-the-line office space in downtown Salt Lake City.
- A legislative interim committee voted unanimously to proceed with legislation that could facilitate construction of nuclear power plants in Utah. http://deseretnews.com/dn/view/0,1249,695193197,00.html

Right now, Utah stands alone economically, leading the nation in employment growth with a 4.5-percent rate (June 2007). Utah stands out because that rate of growth is so far ahead of the next closest state, Arizona, whose growth rate measures 3.4 percent. That's a significant gap between the top state and the next-best performer. National employment growth averages only 1.5 percent, and in stark contrast to Utah, some states like Michigan, Ohio, and Wisconsin are experiencing employment declines.

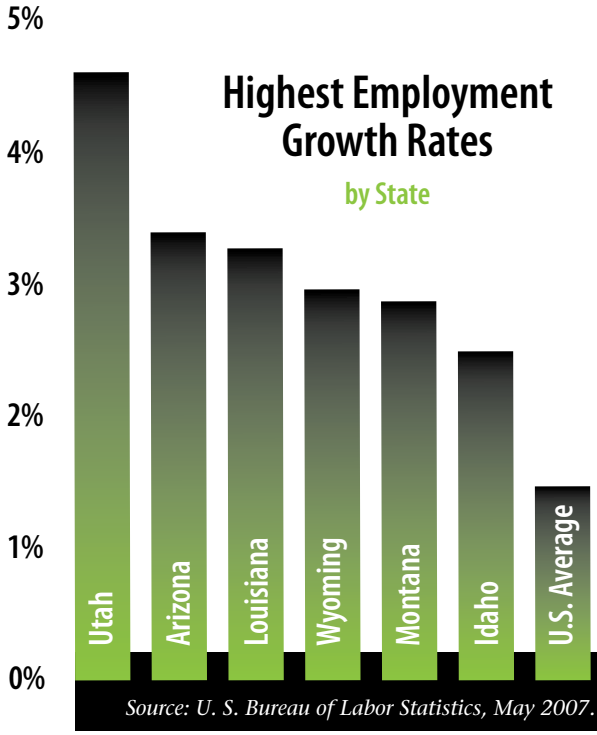
How long can Utah stay in this position? Chances are good it will remain here throughout the remainder of this year and into the next. There is very little working against the Utah economy right now while, throughout the nation, the housing downturn and additional impending fallout from the sub-prime mortgage market is taking its economic toll. Nevada and Arizona are two states that have recently been atop the economic-performance scale, but both states have seen their economies soften because of these housing and mortgage influences. Utah didn't sprint past these other economies to the top. Instead, Utah held its ground while the others faltered.

Utah avoided the earlier housing exuberance that infected much of the rest of the nation. Utah was building many houses, but it was rooted in real home-buying population growth and not based upon speculative development and excess investment (St. George possibly being Utah's lone exception). Therefore, Utah doesn't have a housing-market correction to work through. Utah wasn't immune from the use of sub-prime mortgages, but as long as the economy stays vibrant and wages are on the increase, the fallout from this funding pitfall should be minimal as incomes rise sufficiently to meet these increased payment shocks—but it is a fine line.

There are signs that the construction industry growth rate has peaked and will now moderate. Signs of this deceleration have appeared in businesses that focus primarily upon the residential market. Those that do both residential and nonresidential work should remain busy, as they can shift to the nonresidential side and keep workers employed. But residential building is coming off its peak. And this is not just the number of new homes permitted and built, but also remodels and additions to existing homes. With mortgage rates having been so low for so long, most people who were going to make a home-equity repair move have already done so, and thus the shadow behind that surge is now coming into view.

Construction industry growth isn't set to expire for at least another year or more. While residential building slows, nonresidential is going strong and still may not have reached its peak within this current growth cycle. Therefore, there are still a lot of nonresidential projects to build, and that will be the sustaining factor of the next two years. When nonresidential construction is finished playing catch-up to all the residential building of the past three years, then the Utah construction industry may pause to catch its breath. But that seems to be a few years away.

To follow the latest economic events: http://jobs.utah.gov/wi/press/tlextra/tlextracurrent.asp



Source: U. S. Bureau of Labor Statistics, May 2007.

There is a significant gap between Utah and the next-highest state while the national employment growth average is only 1.5 percent.

What Utahns Earn

New Occupational Wage Information Released

The highest-paid professions in Utah in 2006 were doctors, dentists, lawyers, and engineering managers. The state's lowest-paid positions included counter attendants in food service, food preparation workers, ushers, dishwashers, and fast-food cooks.

This information is from the annual Occupational Employment Statistics (OES) survey, which produces estimates of wages for workers in about 600 occupations and nine areas in Utah. Some 4,000 employers are surveyed annually to collect this important information.

The highest-paid workers in Utah are in the medical field, with anesthesiologists averaging $91.91 per hour and ob/gyns at $88.88. Other types of physicians earned from $60.00 to $80.00 or more per hour. Engineering managers averaged $46.18 per hour with lawyers reporting $51.35 per hour.

Hourly rates for the lowest-paid included mostly service workers, such as: counter attendants, who made $7.20 per hour, combined food preparation and serving workers at $7.29 per hour, dishwashers with $7.36 per hour and sewers at $7.63 per hour.

The bulk of workers fall in between the highest- and lowest-paid. Here are the average wages for some recognizable occupations not in the highest- or lowest-paid list, but those we all can identify with:

Accountants and auditors	$26.76
Automotive service technicians and mechanics	16.57
Bookkeeping, accounting, and auditing clerks	13.62
Carpenters	15.70
Cashiers	8.33
Child care workers	7.88
Computer programmers	32.80
Dental hygienists	29.60
Pharmacists	45.47
Plumbers, pipefitters, and steamfitters	20.65
Registered nurses	26.24
Retail salespersons	11.38
Secretaries, except legal, medical, and executive	12.71
Shipping, receiving, and traffic clerks	12.12
Telemarketers	9.37
Truck drivers, heavy and tractor-trailer	18.92

Wages vary by geographic area. The pay figures above are statewide averages. Wage information is available for nine geographic areas* in Utah. For instance, registered nurses made $26.02 per hour in the Provo-Orem area compared to $27.04 per hour in Salt Lake City.

The types of wage data include the inexperienced wage, average wage, median wage, and the middle range of wages for each occupation. Which wage measure should you use? For the newly employed, with little or no experience, you would obviously use the "inexperienced" wage. For someone with experience and training, use the average or median wage. The average is the wage weighted by employment in the occupation. When the wages of all persons in an occupation are ordered from lowest to highest, the median wage is simply the wage of the middle worker in that occupation and the middle range of wages is the wage range for the middle 50 percent of workers.

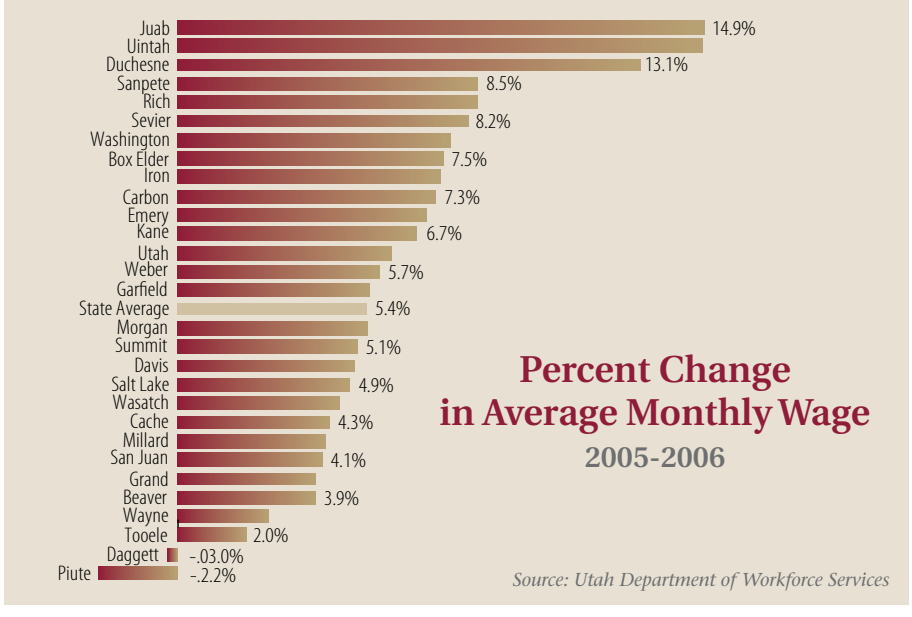
You can get wage rates two ways. One is by accessing the wage tables (available online at http://jobs.utah.gov/opencms/wi/regions/local.html). These are alphabetical listings of occupations with wages by geographic

area. The other method is a customer-driven computer access through the Department of Workforce Services Web site's Utah Economic Data Viewer (UEDV) at http://jobs.utah.gov/jsp/wi/utalmis/gotoOccwage.do.

How Much Did Wages Go Up In Utah Last Year?

This is a question that frequently comes up as employers seek to stay competitive in the labor market. They want to know how much to budget for their next year's business plan. The best data that portrays the changing of wages in the state is not survey data but is grounded comprehensive wage and salary summations from the required reporting of virtually all employers to the Department of Workforce Services. This information originates from the quarterly unemployment insurance contributions reports from some 80,000 worksites in the state. The accompanying chart shows the percent change between 2005 and 2006 in the average wage by county in Utah. The increases shown reflect the current tight labor market, with unemployment very low and wages being bid up for workers in demand. The overall increase in wages was 5.4 percent. This was up from about 3.5 percent in the proceeding two years.

**Box Elder and Rich Counties, Central and Western Rural Counties, Eastern Rural Counties, Logan Metropolitan Statistical Area (MSA), Ogden-Clearfield MSA, Provo-Orem MSA, St. George MSA, Salt Lake City MSA, and Southwestern Rural Counties.*



The highest-paid workers in Utah are in the medical field.

Keep It Short Statistics

–Utah's Short-Term Occupational Projections

For the most part, economists love to let markets do their own thing. It's their conviction that if given enough time, markets will reach equilibrium and the world will be in balance—meeting the needs of both supply and demand. Unfortunately, in the short term, markets and economies may struggle to reach that seemingly elusive point, and short-term shortages and oversupply can occur.

It's not a Labor Shortage. . .

Labor shortages certainly seem to appear in the short term as certain industries may unexpectedly and rapidly flourish. Of course, to economists, there are no labor shortages, only wage shortages. However, short-term occupational projections can certainly provide insight about labor requirements in the near future to supplement the long-term projections we typically produce.

So let's take a quick look at our most recent set of short-term projections. Before starting, here are a couple of quick reminders. These projections only provide information on the "demand" side of the labor market equation. Also, job openings occur for two reasons—growth and replacements for those leaving the occupation.

What's Different?

Some interesting patterns emerge from the current set of short-term occupational projections that differentiate them from the long term:

- Construction/ extraction (mining) occupations show much more rapid growth in the short term than in the long term reflecting a surge in energy-related activity and a strong

Fastest Growing Utah Occupations
With at least 100 Annual Openings
2006 - 2008

Annual Growth Rate

Service Unit Operators, Oil/Gas/ Mining	14%
Rotary Drill Operators, Oil/Gas	13%
Comp. Software Engineers, App.	8%
Network Systems Analyst	8%
Comp. Software Engineers, Systems	7%
Medical Assistants	6%
Cabinetmakers/ Bench Carpenters	6%

Source: Utah Department of Workforce Services

construction sector. Annual openings are also up substantially for this group of occupations.

• Architecture/engineering, business/financial operations, and production occupations also exhibit faster short-term expansion than the long-term projections show.

The two fastest-growing occupations with at least 100 annual openings are both related to oil/gas extraction—again mirroring growth in oil/gas activity.

What's the Same?

Current short-term projections reflect the 2006-to-2008 time period. Typically, short-term and long-term projections don't differ dramatically. Here are some common themes:

• Healthcare and computer/mathematical occupations are always among the fastest-growing groups of occupations.

• Large occupations typically have the most openings simply because they start out large. For example, retail sales persons and cashiers are the largest occupations in Utah (the U.S., and almost every county). They also show the highest number of openings—in the short term and in the long term.

• Other occupations which consistently show high openings regardless of time frame include fast-food workers, customer service representatives, heavy truck drivers, laborers, janitors and child care workers.

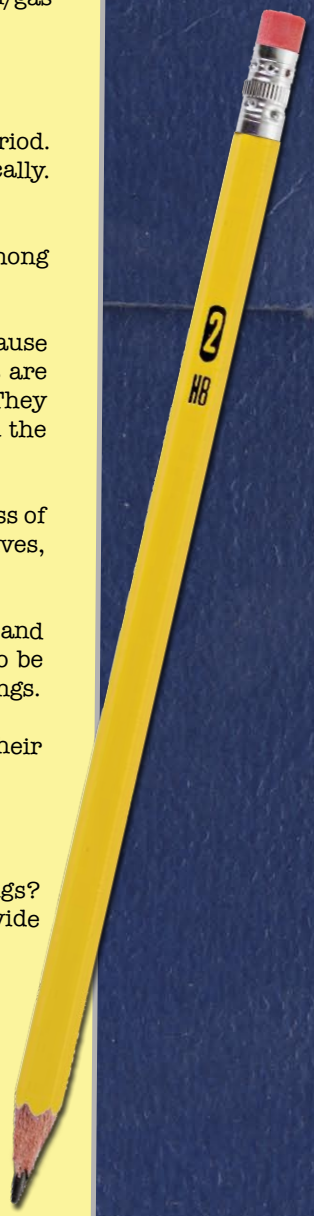
• Computer software engineers (applications and systems software) and network systems analysts/data communications analysts continue to be among the fastest-growing occupations with at least 100 annual openings.

• Jobs requiring a bachelor's degree or higher continue to increase their share of the total labor market.

Higher Pay and Higher Openings

Are you interested in occupations with better pay and lots of openings? You might want to check out these occupations which should provide both in the near future:

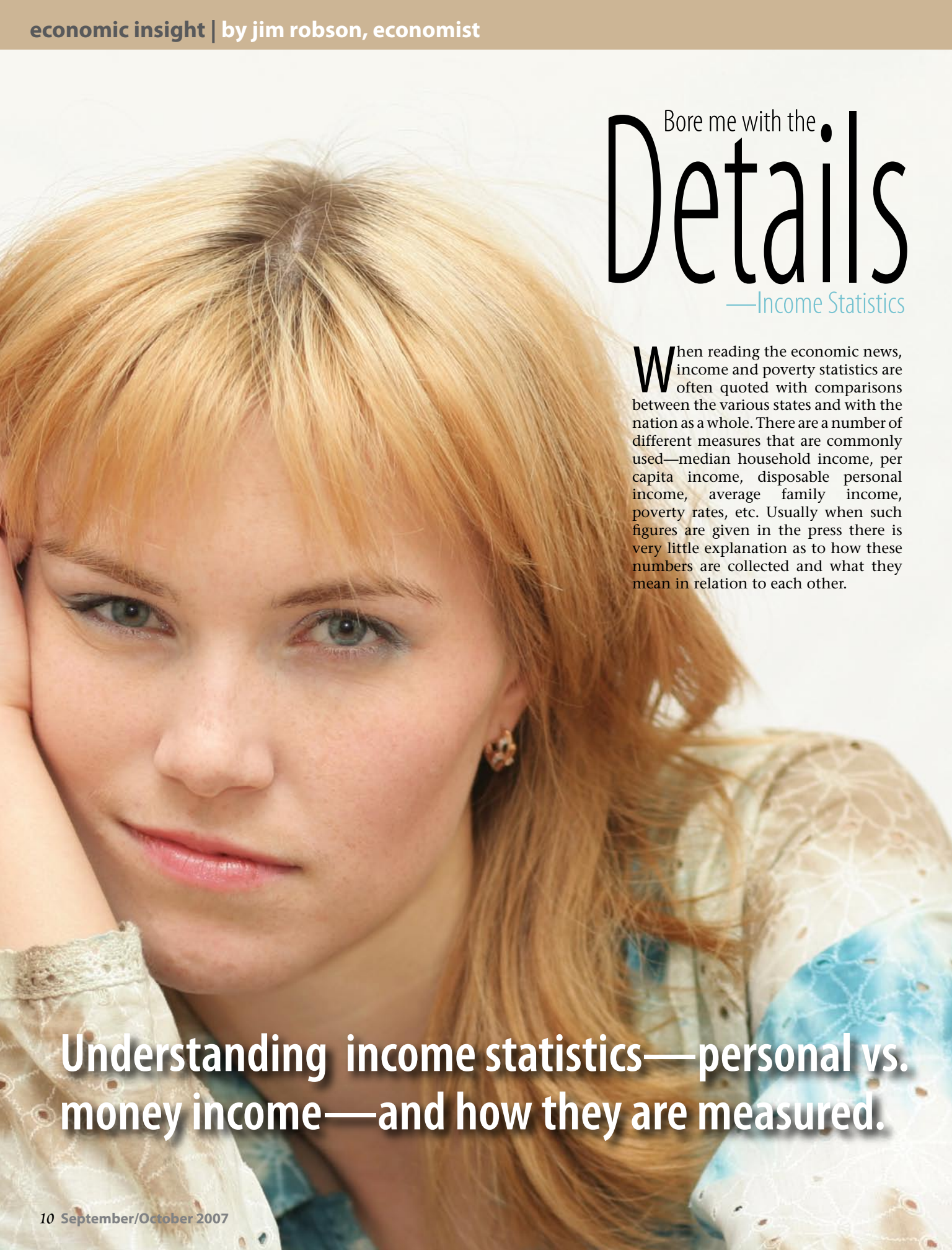
• Registered Nurses
• Accountants/Auditors
• Sales Representatives, Technical/Scientific
• Real Estate Agents
• Computer Software Engineers, Systems Software
• Computer Programmers
• Construction Managers
• Computer Software Engineers, Applications



For more information on Utah's short-term occupational projections see: http://jobs.utah.gov/opencms/wi/pubs/outlooks/state

Bore me with the Details
—Income Statistics

When reading the economic news, income and poverty statistics are often quoted with comparisons between the various states and with the nation as a whole. There are a number of different measures that are commonly used—median household income, per capita income, disposable personal income, average family income, poverty rates, etc. Usually when such figures are given in the press there is very little explanation as to how these numbers are collected and what they mean in relation to each other.



Understanding income statistics—personal vs. money income—and how they are measured.

There is a good reason for this lack of detail. The nuances of income data collection and measurement quickly become quite complicated. There are several survey programs and types of administrative records that comprise the multiple sources for income statistics. It is important to understand that different surveys, which are designed to meet different needs, will produce different results.

There are two measures that are used most often—money income and personal income.

The measurement of "money income" is an attempt to add up all the cash received by persons 15 years old and over in a given year. Money income includes earnings (wages and salaries), unemployment compensation, workers' compensation, social security, supplemental security income, cash public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous money income. It is income before deductions for taxes or other expenses and does not include lump-sum payments or capital gains.

Money income estimates are determined by sample surveys of people living in households and other individuals. The U.S. Census Bureau collects money income data with various programs; the most well known are the Current Population Survey, the American Community Survey, and the Decennial Census.

The measurement of "personal income" is an attempt to add up all income received by persons from all sources for a given geographic area. How is this different from money income? When determining personal income, individual people are not asked what money they receive; rather, total income is measured from economic and business activity. The sources of personal income estimates are government administrative records (business and individual tax returns, unemployment insurance reports, social insurance programs, public assistance records, etc.) and from business surveys. The U.S. Bureau of Economic Analysis produces the estimates of personal income.

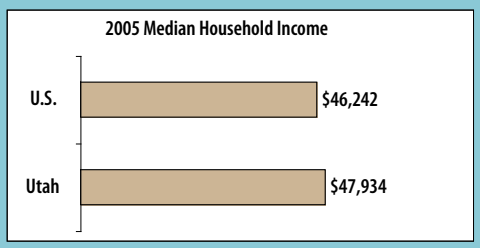
Personal income includes wages and salaries, commissions, tips, bonuses, owners' income, rental income, interest, dividends, social insurance payments, public assistance, and employer contributions (to pensions, insurance, and social insurance).

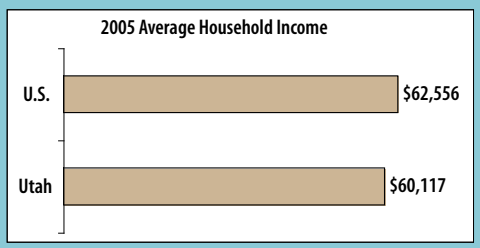
Money income and personal income are attempts to essentially measure the same thing, but from very different perspectives. With money income, people are asked what money they receive from any source, producing measures like median household income or the number of people with income below the poverty level. Personal income is an estimate of income from all sources that accrues to people from their economic activity or from transfer payments producing total personal income and per capita personal income statistics.

It is helpful to have a basic understanding of how various income measures are derived in order to understand the relative strengths and weaknesses of these statistics and their appropriate uses.

For further information on these income statistics, their sources and measurement methodologies the Census Bureau web site is www.census.gov and the Bureau of Economic Analysis web site is www.bea.gov.

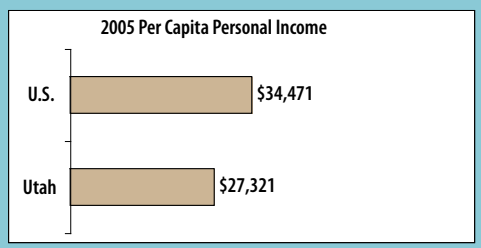
Money Income





Personal Income

2005 Utah Total Personal Income	$68.0 billion
2005 Utah Disposable (after taxes) Personal Income	$60.8 billion



Source: U.S. Census Bureau and U.S. Bureau of Economic Analysis.

Money income estimates are determined by sample surveys.

A Tale of Two Wages

It was the best of times, it was the worst of times...for real wages. This famous line could be applied over and over to the relative real wage performance of Utah's metropolitan and nonmetropolitan counties throughout time. For example, during the late 1970s and early 1980s, while high gas prices decimated many metro economies, nonmetro Utah flourished, thanks to its important natural resources industries. In contrast, in the 1990s as the Internet bubble passed through the economy, Utah's metro counties profited from their greater economic density and connectivity to the national and international economies, propelling their growth well beyond that of the nonmetro counties. All of these ups and downs have had a telling impact on how real wages have performed in metro and nonmetro Utah.

Turning to the raw data, one can clearly see that during the early 1980s, as the state's nonmetro area enjoyed the benefits of a tremendous energy-related boom, the real average annual wage—that is, the average annual wage adjusted for inflation—between the two areas was quite close. However, as the energy boom lost steam and eventually collapsed in the second half of the 1980s, the real average annual wage in nonmetro Utah ceased to keep pace with that of metro Utah. In fact, while metro Utah's real wage remained fairly steady—it kept up with inflation—nonmetro Utah's real wage actually declined significantly during the 1980s before stabilizing in the 1990s. To put that decline in perspective, by the time the nonmetro real wage stabilized in the mid 1990s it was roughly 79 percent that of metro Utah.

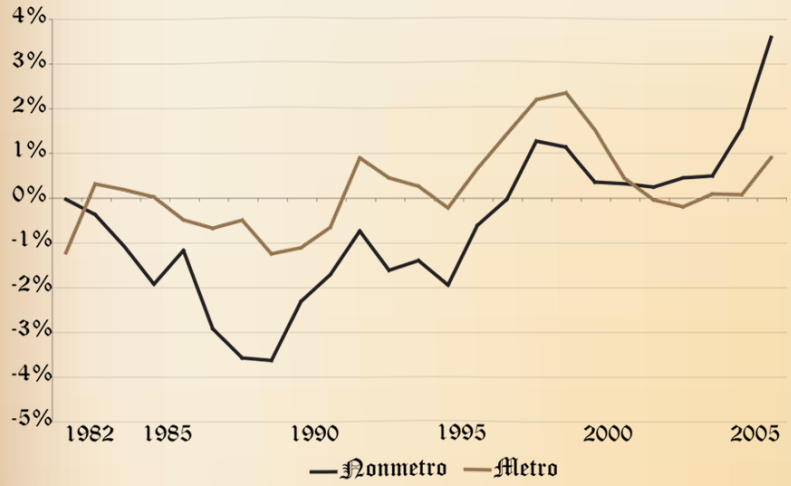
Now, it appears that the wheels of fortune are turning once more in favor of nonmetro Utah. In 2006, the real average annual wage gap between metro and nonmetro Utah was only 16 percent—that is, nonmetro Utah's real wage was up to 84 percent of the metro real wage. This sharp uptick in real wages in nonmetro Utah can be nearly completely attributed to the boom in natural resources extraction in central and eastern Utah, and strong growth along the I-15 corridor in western Utah. While metro Utah saw a 1.9-percent year-over increase in real wages in 2006, nonmetro Utah registered a large 5.7-percent increase. All things being equal (or ceteris paribus as we say in economics), if these trends were to continue, nonmetro Utah would have a real annual average wage roughly equal to that of metro Utah by the end of the decade.

Why the concern with real wages? Well, let's turn that around. Do you care about your quality of life? Would it bother you if you couldn't maintain the same style

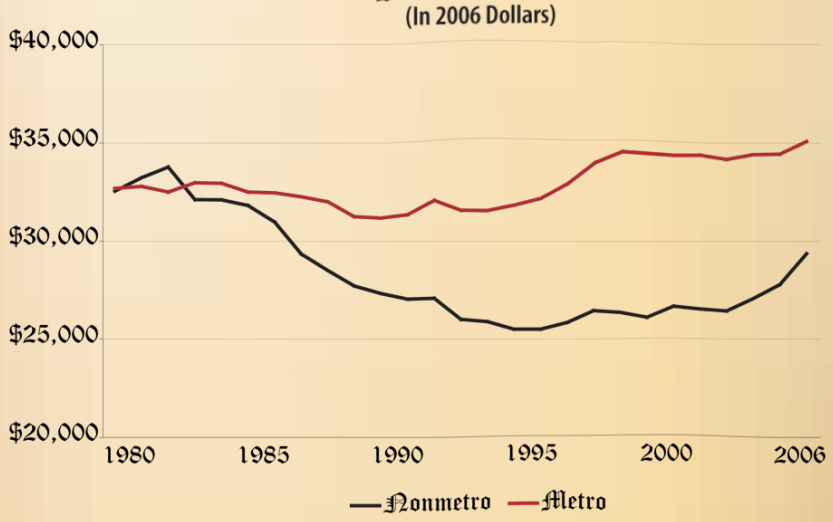
Metropolitan Utah
Box Elder, Cache, Davis, Juab, Morgan, Salt Lake, Summit, Tooele, Utah, Wasatch, Washington, Weber

Nonmetropolitan Utah
Beaver, Carbon, Daggett, Duchesne, Emery, Garfield, Grand, Iron, Kane, Millard, Piute, Rich, San Juan, Sanpete, Sevier, Uintah, Wayne

Real Annual Average Wage Growth
(In 2006 Dollars, Three Year Moving Average)



Real Average Annual Wage by Area
(In 2006 Dollars)

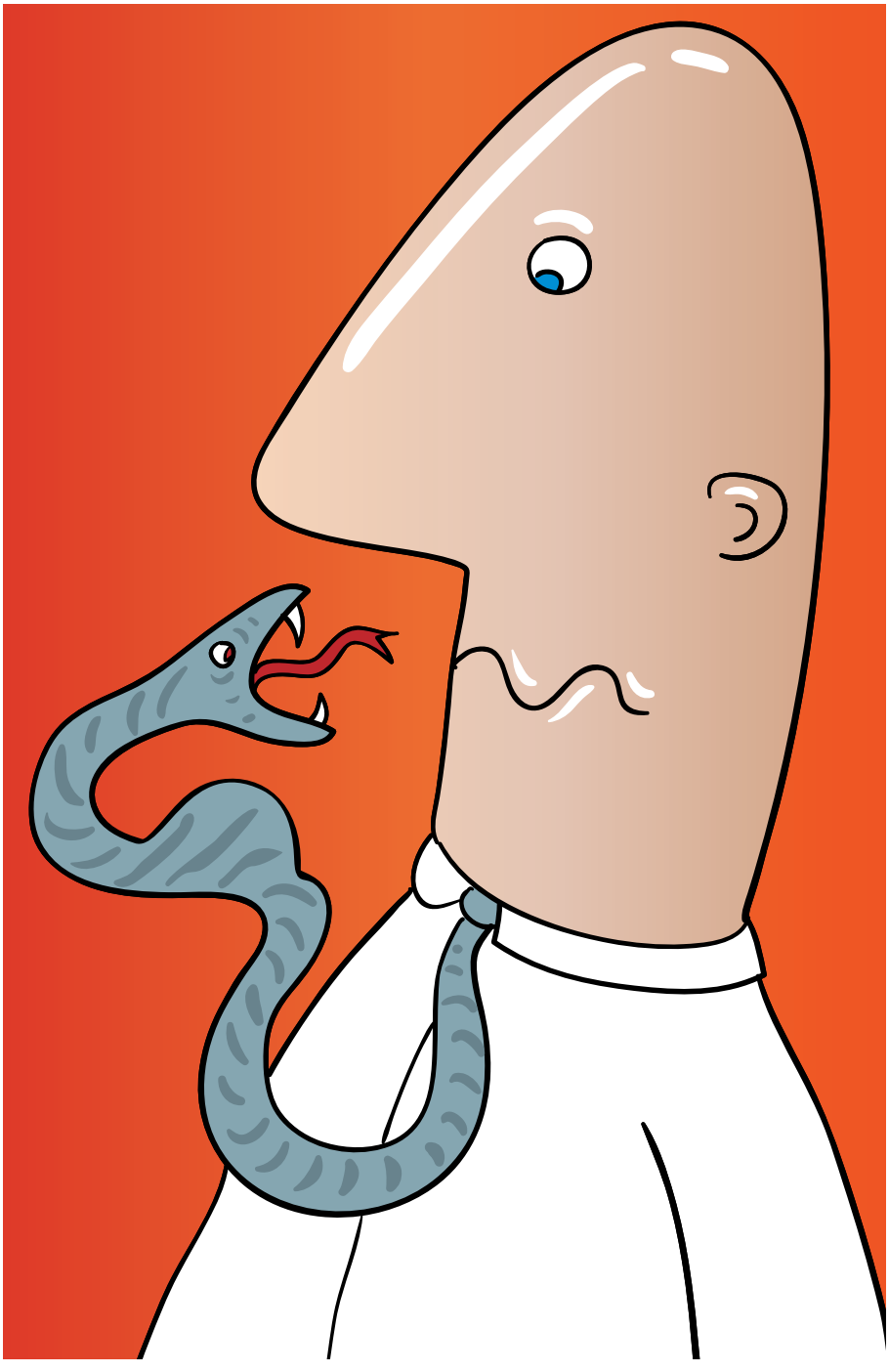


Source: Department of Workforce Services, U.S. Bureau of Labor Statistics (CPI-U)

of life you've become accustomed to? For Utah's nonmetro residents these questions are likely to be laughed at. Bringing the area's real wage closer in line to that of the metro area would be a happy improvement for everyone. Will these current positive trends continue? It is hard to say. Being so dependent on a single industry, as is often the case in rural Utah, makes forecasting the future nearly impossible.

And they lived informed ever after...

The Pig in the Python Economy



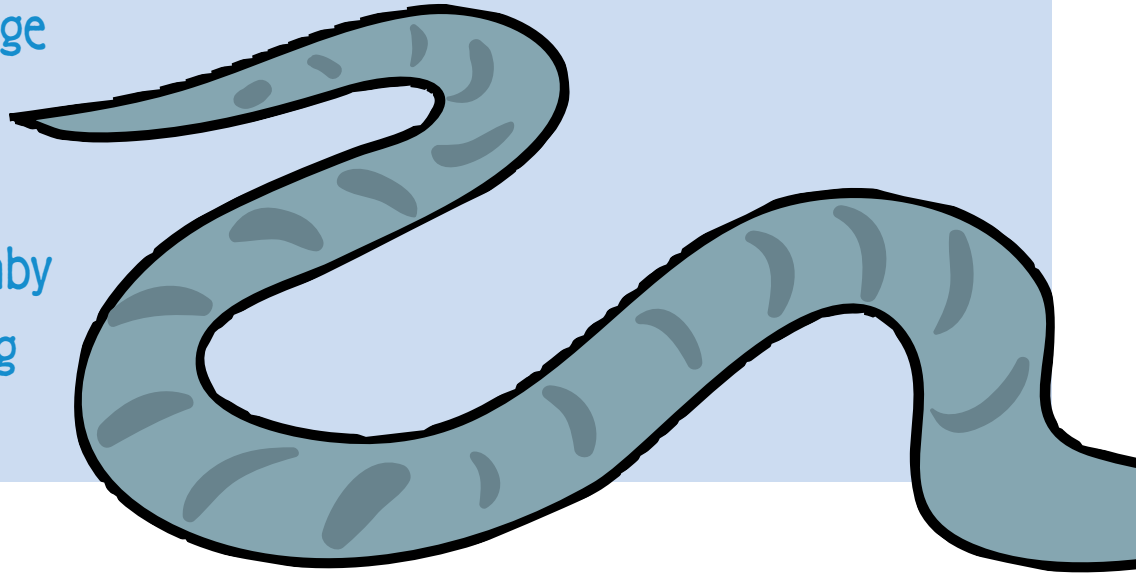
Utah's booming economy makes it stand out and gives it many unique qualities that analysts can evaluate and hypothesize upon. But the United States economy, even though quite tepid with only a 1.4-percent employment growth rate, also is presenting an interesting phenomenon. That is, how can an economy that is growing so slowly produce an unemployment rate—4.5 percent—that we used to regard as a fully-employed labor force and a booming economy? The United States economy isn't booming. It seems that something is quite different from what used to be.

So what is it? There may not be consensus on the underlying cause, but I believe it falls into the lap of that age group that changed America throughout its lifetime—the Baby Boomers! (Here you might insert those pulsating shrieking sound effects you remember from those B-movie horror advertisements.) Yes, the Baby Boomers. When something is out of whack or just isn't behaving the way it used to, just blame the Baby Boomers.

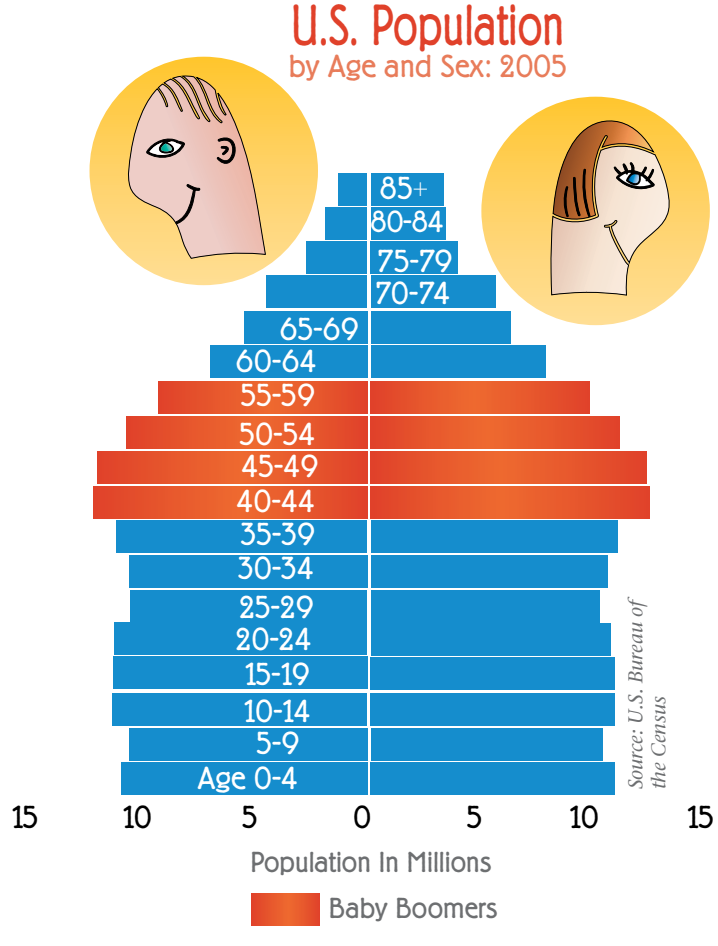
Okay, I'm being facetious, but let me state my case. The Baby Boomers are a large cohort that began entering the labor force in the mid-1960s, and continued to find its way throughout the early 80s.

Because of this, the United States economy has grown and "stretched" itself to accommodate this large group of laborers, who eventually became a large group of consumers and spenders. I liken this to the analogy of a pig in the python. Remember those Mutual of Omaha Wild Kingdom shows where

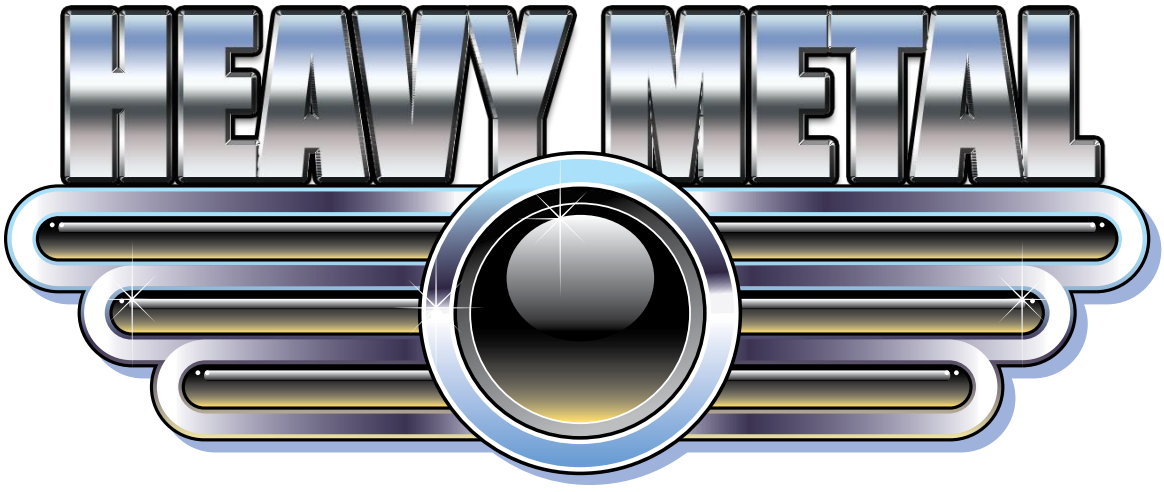
There isn't as large a pool of workers coming in behind the Baby Boomers looking for work.



the python would eat the wild boar and get stretched out? (I'm dating myself as a Baby Boomer, aren't I? The younger generation is asking, Mutual of what?). Well, that's what I see as best describing what the Baby Boomers did to the U.S. economy. Take a look at the population age tree below to visualize what I'm talking about. Granted this is a profile of the total population and not just the labor force, but the population supplies the labor force, and so it's safe to assume that the labor force profile is similar (just shrink in the sides of the tree a little bit). Look how the red bars (Baby Boomers) have "stretched" the economy as they moved through the labor market. The red bars have established the size of the U.S. economy. None of the succeeding age bars stretches as wide as the red bars.



So where are all the workers to keep this economy "stretched" when the red bars decide to call it a career? I believe that this phenomenon is a huge part of the answer to our original question—how can we have such a low U.S. unemployment rate with just a so-so economy? It's because the economy has been "stretched," and the dearth of workers coming in behind are readily being absorbed into the economy, even when the economy grows slowly. Going forward, with fewer workers to be idled, we may need to re-evaluate our expectations when defining low unemployment.



The Utah Department of Workforce Services lists both machinists and welders as five-star occupations. This means that the occupations have the strongest employment outlook and high wages. These occupations are both great choices for individuals looking for long-term career opportunities.

Machinists require creative thinking and the ability to work independently. Individuals in this occupation often enjoy working with their hands and have an interest in how things work and computer technology. Machinists set up and operate a variety of machine tools to produce precision parts and instruments. Highly skilled machinists may work in a shop or in a precision clean-room environment. The occupation requires long-term on-the-job training and a high school diploma/GED. There are also many technical education programs to train individuals for a career in this field. In Utah, there are projected to be 190 openings or 2.8 percent growth per year, so job prospects are good. Machinists earn a median hourly wage of $18.03 in Utah, which is $1.32 higher than the national median.

The projected employment growth and high wages for machinists translate into great career opportunities.

Welding is also a five-star occupation in Utah. Welders use a variety of equipment to join metal or other types of composite material together. Many welders also enjoy working with their hands. Welders work in semi-hazardous conditions and are required to wear safety equipment such as protective eyewear, gloves and boots. In addition to welding skills, many employers prefer that welders have reading skills, and testing and manufacturing knowledge. There are few formal educational requirements for welders, but those interested in a career may want to take advantage of one of the many training programs that are available for welders.

According to the Bureau of Labor Statistics (BLS) most welders work in the manufacturing industry. Although some manufacturing is moving overseas, many establishments are having a hard time finding qualified welders, especially within Utah's strong construction industry. Employment growth for welders is projected to be 28.5 percent over the next ten years, creating approximately 250 job openings per year. The median hourly pay for a welder in Utah is $14.87.

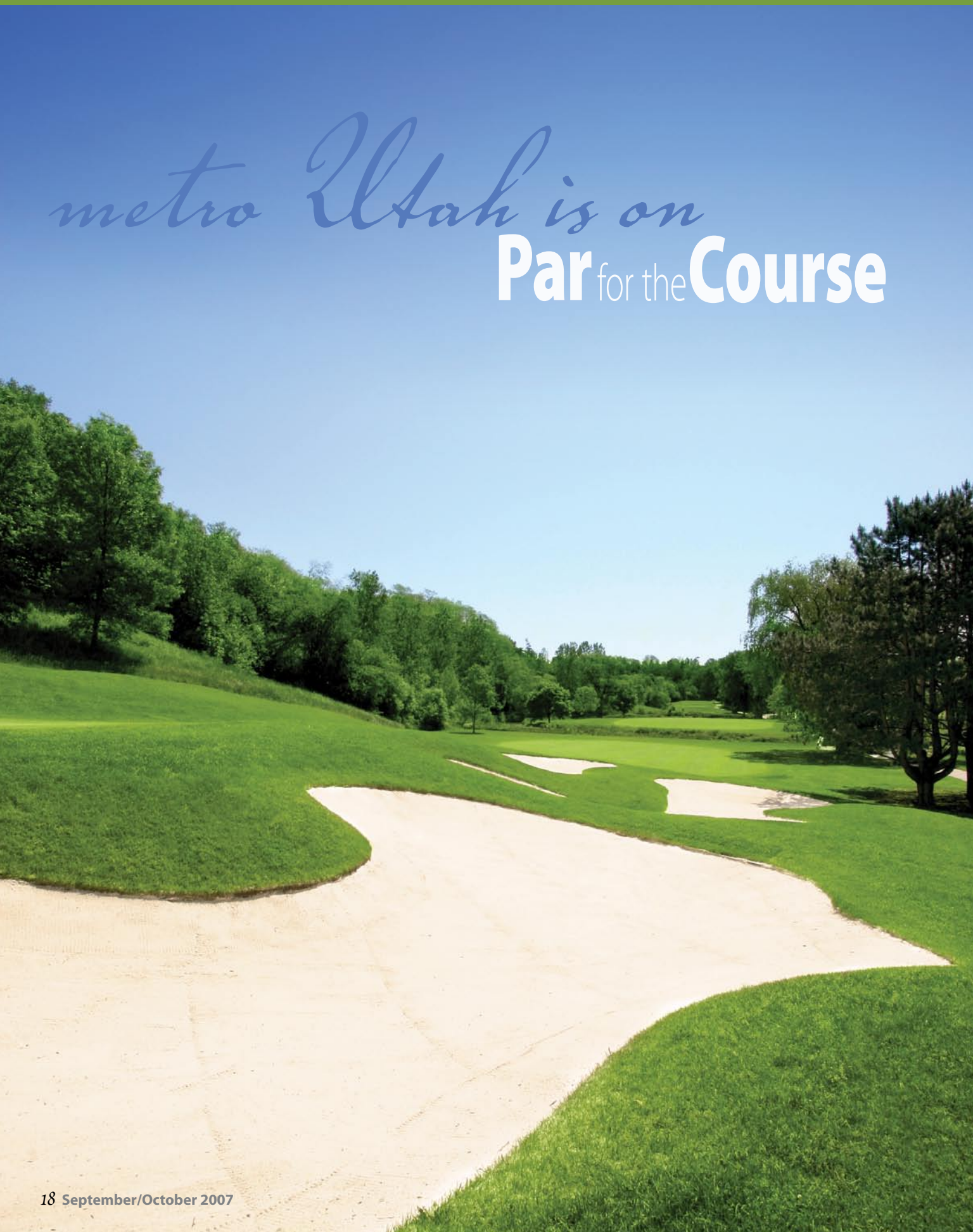
Machinists and welders are both great careers with lots of opportunities. For anyone interested in these or other occupations please visit our website at jobs.utah.gov.

Occupation	Inexperienced Wage	Median	Average	Middle Range
Machinist	$11.90	$18.03	$17.83	$14.11-$21.96
Welder	$11.32	$14.87	$15.34	$12.37-$17.82

Source: Utah Department of Workforce Services

Welders and machinists must be able to think creatively and have the ability to work independently.

metro Utah is on Par for the Course



A snapshot of employer-offered benefits in Salt Lake, Davis, Weber and Utah Counties compares the area with the nation.

In last two years, the unemployment rate has been low, job growth has been strong and wages have been on the rise. These major labor market indicators have pointed towards a mostly blissful economic environment for workers in Utah. However, a very significant aspect of worker compensation was, in many ways, going unmeasured.

The 2007 Benefits Study of Metropolitan Utah was conducted in order to profile the prevalence and participation of employer-offered benefits in Salt Lake, Davis, Weber and Utah counties. Over 1,400 employers were contacted during the first half of 2007 and more than 850 participated, for a response rate of about 60 percent. For this study, benefit characteristics were captured in two categories: whether a firm offered a given benefit and what percentage of employees were enrolled in a given benefit.

Major findings are as follows: Forty-eight percent of workers are enrolled in medical benefits through their employer, thirty-nine percent of the employed are enrolled in dental benefits through their employer, nineteen percent of workers are enrolled in vision benefits through their employer and sixty-nine percent of firms offered some type of benefit to at least one employee.

So, at a 69-percent benefits-offering rate, are our metro employers slacking? Is a 48-percent enrollment rate among workers in metro Utah "good"? Fortunately, our friends at the Bureau of Labor Statistics (BLS) have conducted their own benefits study and have produced benefits statistics on national, metropolitan and regional levels. The BLS National Compensation Survey[1] (NCS) provides a benchmark for comparison across most benefit categories, which allows us to assess how benefits in the four-county metro Utah area stack up elsewhere.

As seen in the accompanying tables, metro Utah's benefit environment can be regarded as being generally consistent with that of the rest of the nation, other metropolitan areas and the NCS Multi-State Mountain Region that includes Utah. In other words, metro Utah is on par for the course.

Besides illustrating the normalcy of major benefit indicators in metro Utah, the 2007 Benefits Study of Metropolitan Utah provided a wealth of information describing how benefit incidence and participation varies by industry, part-time and temporary job status as well as how much employers contribute to employees' medical benefits. For comprehensive study results and in-depth benefit analysis please visit http://jobs.utah.gov

[1]*Complete National Compensation Survey results can be viewed at www.bls.gov/ncs*

Percent of Offering Firms Comparison Data

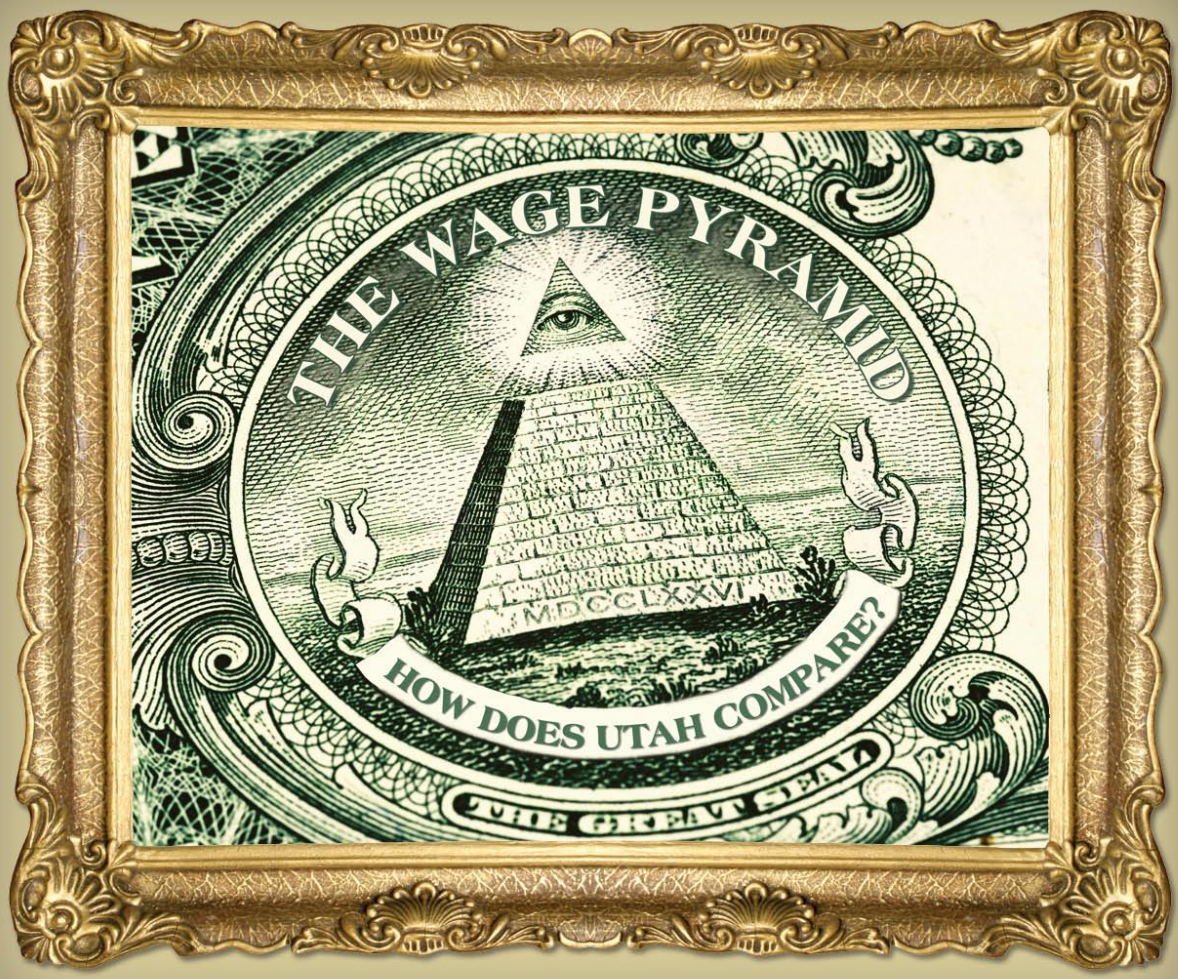
Benefit Statistic	Four County Metro Utah	NCS Multi-State "Mountain" Region	NCS National Metropolitan Areas	NCS National
% of Establishments Offering Retirement	45	41	51	48
% of Establishments Offering "Any Type" of Healthcare Benefit	69*	62	63	62

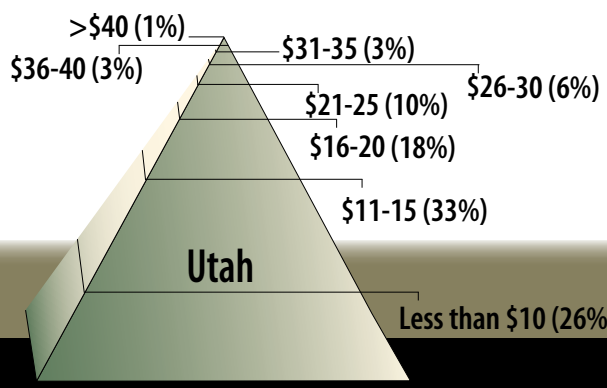
* 69 percent of firms offered medical benefits, which was the most prevalent healthcare benefit.

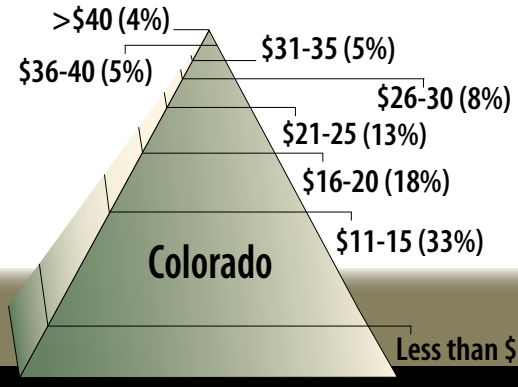
Percent of Workers Enrolled Comparison Data

Benefit Statistic	Four County Metro Utah	NCS Multi-State "Mountain" Region	NCS National Metropolitan Areas	NCS National
% of Workers Enrolled in Medical Benefits	48	51	53	52
% of Workers Enrolled in Dental Benefits	39	36	37	36
% of Workers Enrolled in Vision Benefits	19	24	22	22

Source: Utah Department of Workforce Services







State Job Wages

Here is a bit of economic trivia for you to use at your next garden party. How many of the state's jobs pay $15 or less per hour? The number may surprise you. In fact, your view of the state's portfolio of employment may have to be changed completely as that number is by no means insignificant. The truth is, most of our employment—and that of most states—is concentrated at the base of a wage pyramid, with a wide base—with low wages—and a very narrow spire—with high wages.

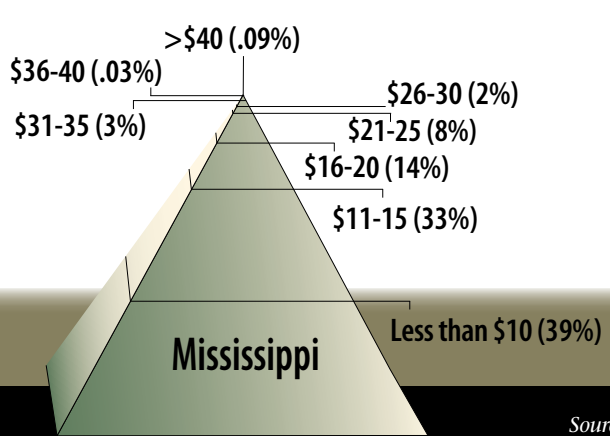
To get a grasp on what Utah's wage and employment pyramid looks like we use data from the Occupational Employment Statistics survey conducted by the Department of Workforce Services for the federal Bureau of Labor Statistics. This nationwide survey provides comparable data for hundreds of occupations across each state in the union. For the purposes of our analysis we will look at the employment estimate and the median wage for each occupation for which data is reported. While this approach is simplistic and lacks precision, it does afford an overview of the distribution of wages and employment in Utah.

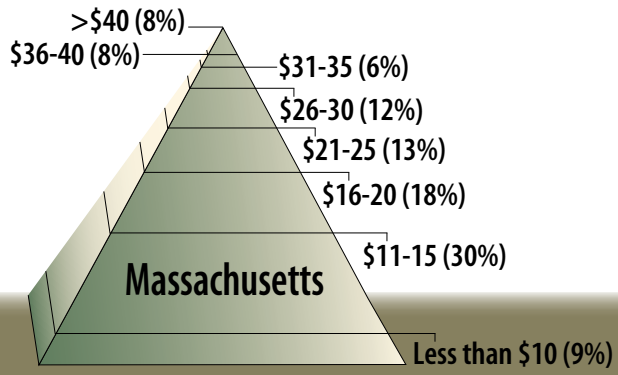
For Utah, the data clearly shows this pattern of a rather wide base of lower-paid employment topped by a fairly small cap of highly paid employment. Like her sister states, roughly 60 percent of Utah jobs reported in the survey results paid $15 or less an hour. That is, of the 1,115,960 jobs accounted for in the survey, roughly 660,000 jobs were in this category. Four occupations made up nearly 20 percent of these 660,000 jobs: retail salespersons, cashiers, general office clerks, and customer service representatives. It may not come as a surprise that these occupations are relatively low-paying, but the realization that they play a crucial role in supporting the full breadth of our economy might.

Indeed, upon this large supporting base sits the state's higher-paying occupations. An additional 34 percent of Utah's employment (we've accounted for 93.3 percent of the state's jobs now) makes between $16 and $30 an hour. Occupations in this wage range also provide crucial services for the economy. Some examples include: truck drivers, registered nurses, elementary school teachers, and various first-line supervisors and managers. The remaining 6.7 percent of employment makes more than $30 an hour. These occupations depend on the base upon which they sit. Without the rest of the pyramid these occupations—like CEOs, managers, doctors, lawyers, computer programmers—would be hard-pressed to exist.

Another way to look at this data is to compare Utah's pyramid to those of other states. Utah has a reputation—largely undeserved—for having low wages. Thus, many people would suspect that the state would fare poorly when compared to other states. In reality, most states share similar wage pyramid characteristics to Utah. Of the 48 states whose data was available at the time this article was written, 37 had 50 percent or more of their jobs in the $15-or-less-an-hour range. Utah was exactly in the middle of these 48 states, with a rank of 24.

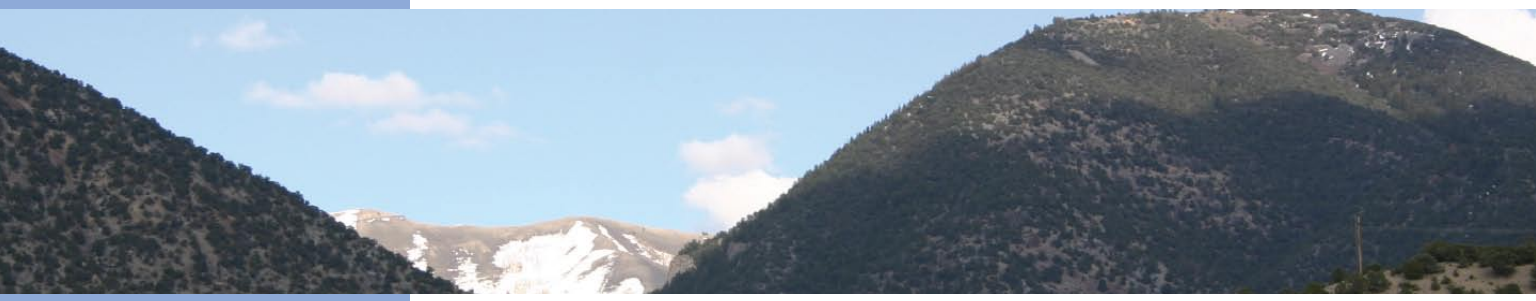
The result of this comparison is strongly influenced by a number of factors. First, the industrial composition of each state has a strong influence on its wage performance. For example, New England states, with large financial and legal industries, had higher shares of workers making more than $30 an hour. Second, the differing cost-of-living demands among states plays a role in pay determination. Third, and finally, workers in each state are not uniformly homogeneous. That is, the differing levels of human capital, labor force experience, and demographic trends, among other factors, affect wage inter-state performance.





Source: Utah Department of Workforce Services, Occupational Employment Statistics

per Hour



Positive in-migration has fueled Tooele County's population expansion since 1990. Many residents commute to jobs in Salt Lake County.

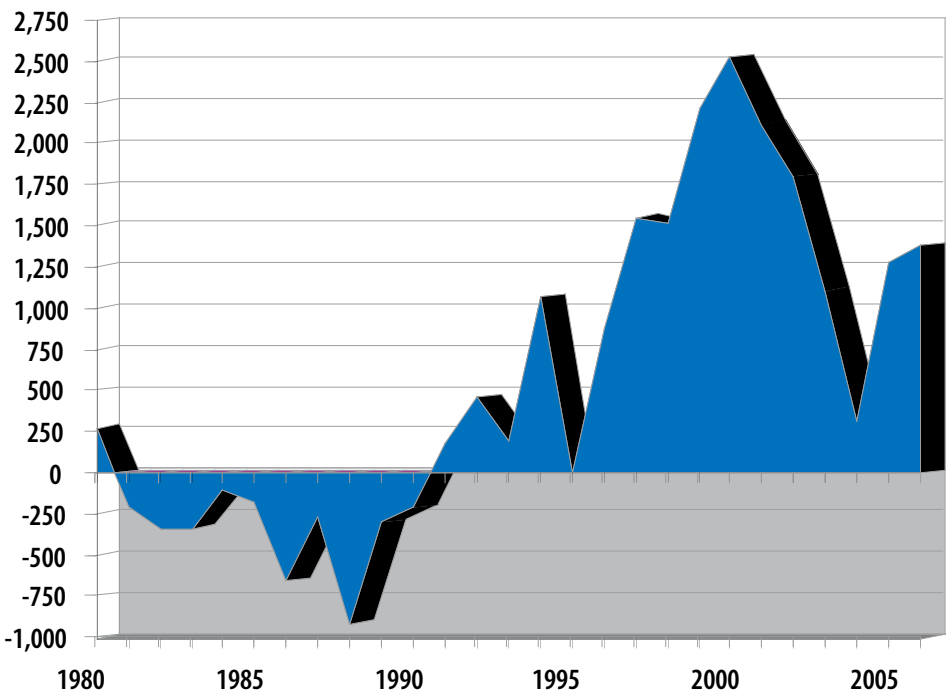
Because it's a close neighbor to Utah's capital city, Tooele County has been growing at a rapid pace and is becoming much more integrated with the larger metropolitan Salt Lake area. Since 2000, the county population has increased by 30.9 percent while payroll employment has grown by 32.6 percent. By way of comparison, population and job growth in Salt Lake County was 10.4 percent and 6.4 percent respectively over this same time period.

The 2000 Census confirmed that about 46 percent of employed Tooele County residents commuted outside the county to work. The county's largest cities are Tooele and Grantsville, each about a 40-minute commute to downtown Salt Lake City.

Traditionally, U.S. defense-related activities have been the dominant force behind economic activity in Tooele. The Tooele Army Depot and Dugway Proving Grounds continue to be among the county's largest employers. Several other large employers operate hazardous waste disposal facilities and mineral extractive operations from the Great Salt Lake. The county's largest private employer began operations in the spring of 2005—the Wal-Mart Distribution Center, a major warehousing and trucking facility in Grantsville. In the past year, the opening of the Miller Motorsports Park was a significant addition to the recreation industry.

For more county information go to http://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do

Tooele County Net Migration



Source: Utah Population Estimates Committee

DWS Celebrates Ten-Year Anniversary

When Bob Gross sat across from Utah Governor Mike Leavitt on April 9, 1996 discussing his future as the founding Executive Director of the Utah Department of Workforce Services (DWS), the governor stated that the establishment of this department was probably the most significant change in state government since statehood. The department will take advantage of emerging technology in this information age, and business will be conducted as never before.

Ten years later, it seems those words were rather prophetic. Through technology and innovative service techniques, business is conducted as never before, and continues to evolve to meet the challenges ahead.

DWS was founded on July 1, 1997. Prior to that time employment and training, financial and nutritional assistance, unemployment insurance and child-care assistance were administered by five separate state agencies. In many cases these five agencies shared common customers. To access services those customers had to complete an application form for each service, repeat their stories multiple times—usually a difficult, and sometimes humiliating, process. DWS changed all that by having one-stop services for all the above benefits with one application, with only one interview. The Labor Market Information (LMI) Division produced valuable information for employers, and those seeking career information. However, access was limited.

Today LMI publications have improved in scope, quality and targets and used by all facets of the community; for families seeking career information, preparing for future decision making, and business owners looking to expand their operations, just to name a few. You're holding one of those products right now; Trendlines was one of the innovations in getting the information to the user.

There are many improvements from ten years ago with more information available, and several different access points. Simply put, an evolution of options, service and access. No matter how you view it, DWS has been a resounding success.

With a variety of customers to serve, convenient and quick access of services continues to be a high priority.

Utah Procurement Assistance Centers

Companies sell over $100 million in government contracts—your company can successfully sell to the government, too!

We all know that government is often seen as a big, inaccessible monolith. Right or wrong, this is the perception of many people. For a company that wants to do business with government, the process can be overwhelming, intimidating, and just flat-out frustrating! Like the knight on the white horse, galloping in to save the damsel in distress, the Procurement Technical Assistance Center, or PTAC for short, is there to play the role of the gallant knight in navigating businesses through what can be the maze of government contracting.

Imagine a service organization that will take you by the hand and lead you step-by-step through the process of positioning your company to compete for government contracts. This is the role PTAC performs for Utah's businesses! As a client of PTAC, you have resources at your disposal; from registration assistance, one-on-one counseling, bid proposal assistance, network facilitation, contracting partnerships, workshops, conferences, and government bid matching that matches your business profile to available contract requests, that are automatically emailed to you. These are among the many services PTAC offers its clients.

Last year PTAC helped Utah small businesses receive over $100 million in government procurement, and facilitated numerous partnerships between large prime government contractors and other businesses that are pursuing government contracts.

The Utah PTAC program has eight offices throughout the state with experienced regional managers. Best of all, there is no fee for their services!

One example of how PTAC assists its clients is worth putting on your calendar—the upcoming Procurement Symposium. The symposium is scheduled for Thursday October 18, 2007, at the SouthTowne Expo Center in Sandy. It will include a reverse trade show where large companies and government agencies will host booths manned by their procurement staff, and small business owners can network their way among the booth exhibitors. Additionally, there will be numerous breakout sessions covering topics of importance to business leaders, with topics like "How to Market to Prime Contractors and Government Agencies," "Contract Negotiations," "Contract Types," and "Bid Match—Your Ticket to New Markets." Last year's event was attended by over 400 people who attended many of the sessions and requested more time to attend sessions they missed. This year's event will run all day and will offer top professionals in their fields.

The day will begin with a continental breakfast, followed by a buffet lunch and snacks in the afternoon. The opportunity to meet with other small business owners, mid- and large-size company leaders, and receive training on topics important to business success, will benefit all that attend the Second Annual Procurement Symposium.

Mark your calendars for October 18th, and plan to attend this very important meeting. More information can be obtained through the PTAC home office from the director, Fred Lange at 801-538-8733, email at: fglange@utah.gov or the deputy director, Chuck Spence at 801-538-8655, email at: cspence@utah.gov.

Imagine a service organization that will take you by the hand and lead you step-by-step through the process of positioning your company to compete for government contracts.

- Investigate careers
- Explore education & training
- FInd a job

A good place to start your career search:
jobs.utah.gov
careers.utah.gov

just the facts...

July 2007 Unemployment Rates

		Changes From Last Year	
Utah Unemployment Rate	2.6 %	Down	0.3 points
U.S. Unemployment Rate	4.5 %	Down	0.1 points
Utah Nonfarm Jobs (000s)	1,266.7	Up	4.5 %
U.S. Nonfarm Jobs (000s)	137,828.0	Up	1.3 %

June 2007 Consumer Price Index Rates

U.S. Consumer Price Index	208.4	Up	2.7 %
U.S. Producer Price Index	167.1	Up	3.3 %

Source: Utah Department of Workforce Services

June 2007 Seasonally Adjusted Unemployment Rates

Beaver	2.9 %
Box Elder	2.8 %
Cache	2.1 %
Carbon	3.3 %
Daggett	4.0 %
Davis	2.6 %
Duchesne	2.6 %
Emery	3.3 %
Garfield	5.2 %
Grand	5.2 %
Iron	2.8 %
Juab	3.3 %
Kane	3.4 %
Millard	2.6 %
Morgan	2.7 %
Piute	2.7 %
Rich	2.4 %
Salt Lake	2.5 %
San Juan	4.9 %
Sanpete	3.4 %
Sevier	2.9 %
Summit	2.3 %
Tooele	3.0 %
Uintah	2.3 %
Utah	2.5 %
Wasatch	2.7 %
Washington	2.7 %
Wayne	4.4 %
Weber	3.1 %

Watch for these features in our

Next Issue:

Theme:
Baby Boomers

County Highlight:
Summit

Occupation:
Administrative Support

In a pinch?

jobs.utah.gov
careers.utah.gov

Utah Department of Workforce Services
Workforce Development and Information Division
140 E. 300 S.
Salt Lake City, UT 84111